

SENATE BILL No. 313

DIGEST OF INTRODUCED BILL

Citations Affected: IC 24-2-1.

Synopsis: Trademarks. Establishes that a color mark, scent mark, flavor mark, sound mark, or three dimensional mark may be registered under the state registration system if the mark meets certain conditions. Provides that: (1) a person may file an application to register a trademark or service mark if the person has a bona fide intention to use the mark and if certain requirements are met; and (2) a court may award attorney's fees to a prevailing party in an action concerning marks. Removes the provisions concerning trade names from the trademark law. Eliminates the authority of the secretary of state to require a person applying for registration of a mark to provide information on whether an application to register the mark has been filed in the United States Patent and Trademark Office.

Effective: July 1, 2007.

Ford

January 11, 2007, read first time and referred to Committee on Economic Development and Technology.

C
o
p
y



First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

SENATE BILL No. 313

A BILL FOR AN ACT to amend the Indiana Code concerning trade regulation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 24-2-1-2, AS AMENDED BY P.L.135-2006,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2007]: Sec. 2. The following definitions apply throughout this
4 chapter:

5 (1) "Abandoned" means either of the following:

6 (A) The person who owns the mark has discontinued use of the
7 mark and does not intend to resume use of the mark. A
8 person's intent not to resume use of the mark may be inferred
9 from the circumstances. Three (3) consecutive years without
10 use of a mark constitutes prima facie evidence that the use of
11 the mark has been abandoned.

12 (B) The conduct of the owner, including an act or omission,
13 has caused the mark to lose its significance as a mark.

14 (2) "Applicant" means a person who files an application for
15 registration of a mark under this chapter and the legal
16 representatives, successors, or assigns of the person.

17 (3) "Dilution" means the lessening of the capacity of a famous

C
o
p
y



mark to identify and distinguish goods or services, regardless of the presence or absence of:

(A) competition between the owner of the famous mark and other parties; or

(B) the likelihood of confusion, mistake, or deception.

(4) "Mark" means a trademark or service mark that is entitled to registration under this chapter, whether the mark is registered or not.

(5) "Person" means:

(A) a human being;

(B) a corporation;

(C) a partnership;

(D) a limited liability company; or

(E) any other entity or organization:

(i) capable of suing and being sued in a court of law;

(ii) entitled to a benefit or privilege under this chapter; or

(iii) rendered liable under this chapter.

(6) "Prevailing party" means:

(A) a plaintiff that has succeeded in obtaining a decision on the merits or a court ordered decree on a significant claim in an action that affords the plaintiff some form of relief sought by the plaintiff in bringing the action; or

(B) a party that has succeeded in obtaining a decision by the court that the other party:

(i) brought or pursued a frivolous, unreasonable, or groundless claim or defense; or

(ii) litigated an action in bad faith.

~~(6)~~ (7) "Registrant" means a person to whom the registration of a mark under this chapter is issued and the legal representatives, successors, or assigns of the person.

~~(7)~~ (8) "Secretary" means the secretary of state or the designee of the secretary charged with the administration of this chapter.

~~(8)~~ (9) "Service mark" means a word, name, symbol, device, or combination of a word, name, symbol, or device that is used by a person, **or which the person has a bona fide intention to use,** to:

(A) identify a service, including a unique service, of a person and distinguish the person's service from the service of another person; and

(B) indicate the source of a service, even if the source is unknown.

Titles and character names and other distinctive features of radio

C
o
p
y



or television programs used by a person may be registered as a service mark even though the radio or television programs may advertise the goods of the sponsor.

~~(9)~~ **(10)** "Trademark" means any word, name, symbol, or device or any combination of a word, name, symbol, or device that is used by a person, **or which the person has a bona fide intention to use,** to:

(A) identify and distinguish goods, including a unique product, of a person and distinguish the person's goods from goods manufactured or sold by another person; and

(B) indicate the source of the goods, even if the source is unknown.

~~(10)~~ "Trade name" means a name used by a person to identify a business or vocation of the person.

(11) "Use" means the bona fide use of a mark in the ordinary course of trade and not a use made merely to reserve a right in a mark. A mark is considered to be in use:

(A) on or in connection with a good if the:

(i) mark is placed in any manner on the good, a container for the good, a display associated with the good, or a tag or label affixed to the good; or

(ii) nature of the good makes placement of the mark as described in item (i) impracticable and the mark is placed on a document associated with the good or with the sale of the good; and

(B) if the good described in clause (A) is sold or transported in Indiana.

A mark is considered to be in use on or in connection with a service if the mark is used or displayed in the sale or advertising of the service and the service is rendered in Indiana.

SECTION 2. IC 24-2-1-3, AS AMENDED BY P.L.135-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. A mark by which the goods or services of an applicant may be distinguished from other goods or services may not be registered if the mark:

(1) consists of or comprises immoral, deceptive, or scandalous matter;

(2) consists of or comprises matter that may:

(A) disparage or falsely suggest a connection with:

(i) persons living or dead;

(ii) institutions;

(iii) beliefs; or

C
O
P
Y



- 1 (iv) national symbols; or
 2 (B) bring into contempt or disrepute:
 3 (i) persons living or dead;
 4 (ii) institutions;
 5 (iii) beliefs; or
 6 (iv) national symbols;
 7 (3) consists of or comprises the flag, coat of arms, or other
 8 insignia of:
 9 (A) the United States;
 10 (B) a state or municipality;
 11 (C) the United Nations; or
 12 (D) a foreign nation;
 13 (4) consists of or comprises the name, signature, or portrait
 14 identifying a particular living individual, unless the individual
 15 provides written consent; or
 16 (5) is a mark that:
 17 (A) if used on or in connection with the goods or services of
 18 the applicant, is merely descriptive or deceptively
 19 misdescriptive of the goods or services;
 20 (B) if used on or in connection with the goods or services of
 21 the applicant, is primarily geographically descriptive or
 22 deceptively geographically misdescriptive of the goods or
 23 services; or
 24 (C) is primarily merely a surname.
 25 This subdivision does not prevent the registration of a mark that
 26 is used in Indiana by the applicant and has become distinctive of
 27 the applicant's goods or services. The secretary may accept proof
 28 of continuous use of a mark by the applicant in Indiana for the
 29 five (5) years immediately preceding the date on which the claim
 30 of distinctiveness is made as evidence that the mark has become
 31 distinctive, as used on or in connection with the applicant's goods
 32 or services; or
 33 (6) is a mark that so resembles a mark registered in Indiana or a
 34 mark ~~or trade name~~ previously used by another person in Indiana
 35 and not abandoned, as to be likely, if used on or in connection
 36 with the goods or services of the applicant, to cause deception,
 37 confusion, or mistake.
 38 SECTION 3. IC 24-2-1-3.5 IS ADDED TO THE INDIANA CODE
 39 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 40 1, 2007]: **Sec. 3.5. (a) A color mark, scent mark, flavor mark, sound**
 41 **mark, or three dimensional mark may be registered if the mark:**
 42 **(1) functions as a trademark;**

C
o
p
y



(2) is not functional; and

(3) has become a distinctive mark of the applicant's goods or services.

(b) For purposes of subsection (a)(3), the secretary may accept proof of continuous use of a mark by the applicant in Indiana for the five (5) years immediately preceding the date on which the claim of distinctiveness is made as evidence that the mark has become distinctive, as used on or in connection with the applicant's goods or services.

SECTION 4. IC 24-2-1-4, AS AMENDED BY P.L.135-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) Subject to the limitations of this chapter, a person who uses a mark in Indiana may file in the office of the secretary, in a manner that complies with the requirements of the secretary, an application for registration of the mark. The application must be accompanied by three (3) specimens showing actual use of the mark and must include the following information:

(1) The name and business address of the person applying for registration of the mark, and:

(A) if the applicant is a corporation, the state of incorporation;

(B) if the applicant is a partnership, the:

(i) state in which the partnership is organized; and

(ii) names of the general partners, as specified by the secretary; or

(C) if the applicant is another form of legal entity, the jurisdiction in which the legal entity was organized.

(2) The:

(A) goods or services on or in connection with which the mark is used;

(B) mode or manner in which the mark is used on or in connection with the goods or services; and

(C) class in which the goods or services fall.

(3) The date on which the mark was first used anywhere and the date on which the mark was first used in Indiana by the applicant or the applicant's predecessor in business.

(4) A statement that:

(A) the applicant is the owner of the mark;

(B) the mark is in use; and

(C) to the knowledge of the person verifying the application, another person:

(i) has not registered the mark, either federally or in Indiana; or

C
o
p
y



(ii) does not have the right to use the mark either in the identical form or in such near resemblance to the form as to be likely, if applied to the goods or services of the other person, to cause deception, confusion, or mistake.

(b) Subject to the limitations of this chapter, a person who has a bona fide intention, under circumstances showing the good faith of the person, to use a trademark or service mark in Indiana may file in the office of the secretary, in a manner that complies with the requirements of the secretary, an application for registration of the trademark or service mark. The application must include the following information:

(1) The name and business address of the person applying for registration of the trademark or service mark and:

(A) if the applicant is a corporation, the state of incorporation;

(B) if the applicant is a partnership, the:

(i) state in which the partnership is organized; and

(ii) names of the general partners, as specified by the secretary; or

(C) if the applicant is a legal entity of another form, the jurisdiction in which the legal entity was organized.

(2) The:

(A) goods or services on or in connection with which the mark is intended to be used;

(B) mode or manner in which the mark is intended to be used on or in connection with the goods or services; and

(C) class into which the goods or services fall.

(3) A statement that:

(A) the applicant is entitled to use the mark in Indiana;

(B) the applicant has a bona fide intention to use the mark in Indiana; and

(C) to the knowledge of the person verifying the application, no other person;

(i) has registered the mark, either federally or in Indiana; or

(ii) has the right to use the mark either in the identical form or in such a near resemblance to the form as to be likely, if applied to the goods or services of the other person, to cause deception, confusion, or mistake.

Subject to the limitations of this chapter and the ultimate issuance of a registration for the mark, an application filed under this subsection establishes constructive use priority rights of the mark

**C
o
p
y**



throughout Indiana. However, a mark may not be registered under this subsection unless the applicant meets the requirements set forth in subsection (c).

(c) An applicant who filed an application for registration of a trademark or service mark under subsection (b) shall, not later than one (1) year after the date the application is filed under subsection (b), file in the office of the secretary:

(1) a verified statement that the mark is in use in Indiana; and

(2) a statement that specifies:

(A) the date on which the mark was first used anywhere; and

(B) the date on which the mark was first used in Indiana; and

(3) three (3) specimens showing actual use of the mark.

If the applicant does not make a filing under this subsection within one (1) year after the date on which the application was filed, the secretary shall issue a final order refusing registration of the mark.

(b) (d) The secretary may also require on an application

(1) a statement indicating whether an application to register a mark, parts of a mark, or a composite of a mark, has been filed by the applicant or a predecessor in the interest of the applicant in the United States Patent and Trademark Office. If an application has previously been filed in the United States Patent and Trademark Office, the applicant must provide full particulars with respect to the previous application, including the:

(A) filing date and serial number of each application;

(B) status of each application; and

(C) reason or reasons for the refusal of the application or the nonregistration of the mark if an application to register the mark was finally refused registration or if an application to register the mark has not resulted in a registration; and

(2) a drawing of the mark that complies with the requirements of the secretary.

(c) (e) The application must be signed and verified under oath, affirmation, or declaration subject to perjury laws by:

(1) the applicant;

(2) a member of the applicant firm or applicant limited liability company; or

(3) an officer of the applicant corporation, association, or other form of legal entity.

The application must be accompanied by three (3) specimens showing actual use of the mark.

C
O
P
Y



(f) The application must be accompanied by an application fee payable to the secretary.

SECTION 5. IC 24-2-1-13.5, AS ADDED BY P.L.135-2006, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13.5. (a) This section applies only to fanciful marks, except in cases where the other person's use tarnishes the reputation of the famous mark.

(b) An owner of a mark that is famous in Indiana is entitled, subject to the principles of equity and terms a court considers reasonable, to an injunction against another person's commercial use of the mark ~~or trade name~~ if the other person's use begins after the mark has become famous and the other person's use causes dilution of the distinctive quality of the mark, and to other relief provided in this section. In determining whether a mark is distinctive and famous, a court may consider factors such as:

- (1) the degree of inherent or acquired distinctiveness of the mark in Indiana;
- (2) the duration and extent of use of the mark in connection with the goods or services with which the mark is used;
- (3) the duration and extent of advertising and publicity of the mark in Indiana;
- (4) the geographical extent of the trading area in which the mark is used;
- (5) the channels of trade for the goods or services with which the mark is used;
- (6) the degree of recognition of the mark in the trading areas and channels of trade in Indiana as it relates to the use of the mark by the:
 - (A) mark's owner; and
 - (B) person against whom the injunction is sought;
- (7) the nature and extent of use of the same or a similar mark by a third party; and
- (8) whether the mark is the subject of a:
 - (A) registration in Indiana;
 - (B) federal registration under the Act of March 3, 1881;
 - (C) federal registration under the Act of February 20, 1905; or
 - (D) registration on the principal register.

(c) In an action brought under this section, the owner of a famous mark is entitled only to injunctive relief unless the person against whom the injunctive relief is sought willfully intended to trade on the owner's reputation or to cause dilution of the famous mark. If willful intent is proven, the owner of the famous mark is entitled to the other

C
o
p
y



remedies set forth in this section, subject to the discretion of the court and the principles of equity.

(d) A court may require a defendant to pay to the owner of a mark all profits derived from and damages suffered by reason of the use of the mark in violation of this section. ~~and, in exceptional cases, may award reasonable attorney's fees to the prevailing party.~~

(e) A court may award reasonable attorney's fees to the prevailing party as a result of an action brought under this section.

~~(c)~~ **(f)** The following are not actionable under this section:

(1) Fair use of a famous mark by another person in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark.

(2) Noncommercial use of the mark.

(3) All forms of news reporting and news commentary.

SECTION 6. IC 24-2-1-14, AS AMENDED BY P.L.135-2006, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 14. (a) An owner of a mark registered under this chapter may bring an action to enjoin the use of any mark in violation of section 13 of this chapter and the manufacture, display, or sale of any goods or services identified by the mark and a court of competent jurisdiction may grant an injunction to restrain the use of the mark and the manufacture, display, or sale of the goods or services as the court considers just and reasonable.

(b) A court may:

(1) require a defendant to pay to the owner of a mark all:

(A) profits derived from; and

(B) damages suffered by reason of; the wrongful manufacture, display, or sale of the goods or services; and

(2) order that the goods or item bearing the mark in the possession or under the control of a defendant in the case be delivered to an officer of the court or to the complainant to be destroyed.

(c) In addition to amounts a court awards under subsection (b), a court may award reasonable attorney's fees to the prevailing party.

~~(c)~~ **(d)** In addition to amounts a court may award under ~~subsection~~ **subsections (b) and (c)**, a court may enter judgment for

~~(1)~~ an amount not to exceed the greater of:

~~(A)~~ **(1)** three (3) times the profits derived from; or

~~(B)~~ **(2)** three (3) times the damages suffered by reason of;

the intentional use of a counterfeit mark, knowing it to be a counterfeit in connection with the goods or services for which the mark is registered. ~~and~~

C
o
p
y



1 (2) in exceptional cases, reasonable attorney's fees to the
 2 prevailing party.
 3 ~~(d)~~ (e) The invocation of a right or remedy in this chapter does not
 4 affect a registrant's right to prosecution under a penal law.

**C
o
p
y**

